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**MINUTES OF MEETING  
NORTH SUMTER COUNTY  
UTILITY DEPENDENT DISTRICT**

The Meeting of the Board of Directors of the North Sumter County Utility Dependent District was held on Tuesday, September 18, 2012 at 9:00 a.m. at the District Office Board Room, 1894 Laurel Manor Drive, The Villages Florida, 32162.

Board members present and constituting a quorum:

Gary Davis	Chairman
Fred Gibbons	Vice Chairman
Diane Spencer	Board Director

Staff Present:

Janet Tutt	District Manager
Diane Tucker	Administrative Operations Manager
Archie Lowry	District Counsel
David Miles	Finance Director
Jennifer McQueary	District Clerk
Brittany Wilson	Executive Assistant
Candice Lovett	Staff Assistant

**FIRST ORDER OF BUSINESS:**                      **Call to Order**

A.      Roll Call

Chairman Davis called the meeting to order at 9:00 a.m. and stated for the record that three (3) Board Directors were present representing a quorum. Charlie Smith and Eric Greulach were absent.

B.      Pledge of Allegiance

At Chairman Davis' request, Board Director Spencer led the Pledge of Allegiance.

C.      Audience Comments

There were no audience comments.

**SECOND ORDER OF BUSINESS:            Approval of the Minutes from the Meeting held on August 21, 2012**

<b>On MOTION by Diane Spencer, seconded by Fred Gibbons, with all in favor, the Board approved the Minutes from the Meeting held on August 21, 2012.</b>
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**THIRD ORDER OF BUSINESS:            Financial Statements as of August 31, 2012**

David Miles, Financial Director, reviewed the cash analysis report prepared on August 29, 2012 and identifying the balances for the North Sumter Utility (NSU) as \$4,118,796 and the Villages Water Conservation Authority (VWCA) as \$5,615,749 which were distributed among the Citizens First Bank (CFB), State Board of Administration, Florida Municipal Investment Trust (FMIvT) 1-3 year bond fund and Florida Local Government Investment Trusts (FLGIT) accounts. The budget to actual statements for the month ending August 31, 2012 were provided to the Board and Mr. Miles referred to the Consolidated Report representing 91.67% of the fiscal year and advised 107.91% of budgeted revenues have been collected for the year. The District's expenditures are at 90.70%, which includes 92.63% of debt service and 87.05% of the operating expenditures for the year. During the month of August the revenues exceeded expenditures by \$322,224 and on a year-to-date basis revenues have exceeded expenditures by \$3,942,101. Mr. Miles state the depreciation and amortization numbers are not included in the statements; therefore the audited annual financials will be lower.

Chairman Davis inquired if there are any changes in strategies, given the low interest rates, to address the District's investments. Mr. Miles stated increased funds have been transferred in the last few months from the SBA into FLGIT and FMIvT to receive a better interest rate. Staff and the Investment Advisory Committee (IAC) continue to review the interest earnings for the Districts.

**FOURTH ORDER OF BUSINESS:            Approval of Annual Renewal Agreements**

Diane Tucker, Administrative Operations Manager, advised the renewal agreements presented to the Board have no increase from the current fiscal year contract amounts.

Chairman Davis requested clarification of the renewal process versus new requests for proposals. Ms. Tucker stated the majority of the contracts listed are those the District assumed during the purchase

of the system; and in most cases, the contract term was for three (3) years with two (2) one year renewals.

Board Director Spencer inquired if the landscaping contracts being approved are for the maintenance of the foliage around the pump stations. Ms. Tucker stated the contracts address the landscape in the roundabout areas, around the pump stations and pump houses.

**On MOTION by Diane Spencer, seconded by Fred Gibbons, with all in favor, the Board awarded the following Annual Renewal Agreements: Commercial Landscape & Irrigation, Inc. (#N8); Down to Earth Lawncare II, Inc (#N7); PFM Asset Management LLC (#10P-015) and The Shepherd's Landscaping, LLC (#N6) and authorized the Chairman to Execute the Agreement.**

**FIFTH ORDER OF BUSINESS: Approval of Property/Casualty Insurer for Fiscal Year 2012/2013**

Deb Franklin, Director of Human Resources and Risk Management, advised the Board Preferred Government Insurance Trust (PGIT) remains the only competitively priced coverage for property; general liability; crime coverage; public official liability and auto liability. The fiscal year 2012/2013 annual premium renewal with PGIT will be \$197,790 or an overall increase of \$38,317 or 24.03%. Staff is recommending the North Sumter County Utility Dependent District (NSCUDD) approve continuing coverage with PGIT as the insurer for fiscal year 2012/2013 and authorize the Chairman to execute all associated contracts upon receipt.

**On MOTION by Diane Spencer, seconded by Fred Gibbons, with all in favor, the Board approved continuing coverage with Preferred Governmental Insurance Trust (PGIT) for Fiscal Year 2012/2013 and authorized the Chairman to execute all associated contracts upon receipt.**

**SIXTH ORDER OF BUSINESS: Discussion Pertaining to Amending Boundaries and Powers of North Sumter County Utility Dependent District**

Janet Tutt, District Manager, introduced Gary Moyer of The Villages of Lake-Sumter, Inc. and requested he address the item before the Board.

Gary Moyer, Vice President, VLS, advised the Board when building this community the Developer decided as infrastructure was constructed it should be turned over to the residents who will benefit from the infrastructure going forward and stated entities have been put into place to maintain the quality of lifestyle and the infrastructure of services necessary for that to occur. When NSCUDD was created the County Commission was asked to consider those factors, and it was discussed at the appropriate times, that District 9 and District 10 would come on board with NSCUDD or create another entity. Mr. Moyer suggested the creation of another District is not necessary due to the efficiency and functionality of NSCUDD; however, two (2) petitions have been prepared to bring Districts 9 and 10 into NSCUDD and for those utilities to be acquired at the appropriate time. The first petition brings Districts 9 and 10 into NSCUDD; the second petition not only expands the boundaries of NSCUDD but also expands the Board by adding two (2) Board Directors and making NSCUDD the solid waste provider for The Villages.

Chairman Davis inquired if there is a recommended timeframe from Staff to begin the process. Mr. Moyer stated it is hopeful the acquisition of the solid waste services could be completed by year end. If the Board is open to expanding the boundaries of the District and approve petitioning Sumter County, formal action would need to occur in early October. Mr. Moyer stated Bond Counsel has been asked to prepare a Trust Indenture and begin the validation process of the bonds with hopes the District would purchase the sanitation business.

Ms. Tutt advised these are standard steps taken when a local government purchases any entity such as a utility or an activity such as sanitation and requested the Board consider scheduling a Special Meeting on Wednesday, October 3, 2012 to begin the purchase process.

Board Director Spencer inquired if the District would fall under additional state and federal regulations with the expansion. Ms. Tutt stated as an operational Board, nothing will change; as far as the contracts, the same regulations will apply.

Chairman Davis advised Staff he would not be present at the October 3, 2012 Special Meeting. Ms. Tutt stated the contracts will not be in place at that meeting, the approval of the petition and the action that starts the process with Sumter County will take place.

Mr. Moyer advised the bond validation process would need to begin at the Special Meeting also.

Chairman Davis stated The Villages is a fabulously run community and anything this Board can do to protect the residents makes sense. The other Board Directors concurred and provided direction have Staff move forward to retain the necessary consultants, obtain scope of services and associated costs.

**On MOTION by Diane Spencer, seconded by Fred Gibbons, with all in favor, the Board approved a Special Meeting for Wednesday, October 3, 2012 at 9:00 a.m. in the District Office Board Room, 1894 Laurel Manor Drive, The Villages, FL 32162.**

**SEVENTH ORDER OF BUSINESS:      Staff Reports**

There were no Staff Reports.

**EIGHTH ORDER OF BUSINESS:      Board Director Comments**

Chairman Davis stated the rapidly approaching build-out of The Villages in an exciting time.

**NINTH ORDER OF BUSINESS:      Adjourn**

The meeting was adjourned at 9:30 a.m.

**On MOTION by Diane Spencer, seconded by Fred Gibbons, with all in favor, the Board adjourned the Meeting.**

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Janet Y. Tutt  
Secretary

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Gary Davis  
Chairman